

SENATE BILL 1486

By Bailey

AN ACT to amend Tennessee Code Annotated, Title 55,
relative to notation of liens on certificates of title
and related services.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 55-3-103(d), is amended by deleting the subsection and substituting instead the following:

(d) The county clerk of the county where a vehicle is to be registered shall act as the agent of the department in receiving the application for certificate of title pursuant to this section. By receiving the application, the transfer of title and any liens noted on the title shall be deemed perfected, subject only to the action of the department in declining for good cause shown to issue the title or action of the county clerk in declining for good cause shown to note such lien on the title.

SECTION 2. Tennessee Code Annotated, Section 55-3-114(a), is amended by deleting the subsection and substituting instead the following:

(1) The commissioner shall, upon receipt of an application for a certificate of title, and after determining by an examination of its records that the applicant is entitled to a certificate of title, issue the same.

(2) Except as provided by subdivision (a)(3), the several county clerks are designated deputies to perform, at their option, duties in connection with services normally performed by the department related to the issuance of titles or issuance of replacement certificates of title.

(3) The several county clerks shall perform duties in connection with services related to the notation of liens and encumbrances and the extension of mortgages on certificates of title.

(4) For each certificate of title issued by a county clerk, the department shall pay the clerk a fee of two dollars (\$2.00).

(5) For each certificate of title issued by a county clerk, the department shall pay the clerk an additional fee of thirty-five cents (35¢), which funds shall be earmarked for office supplies and equipment required to perform titling and registration services. Such funds shall be preserved for these purposes and shall not revert to the county general fund at the end of a budget year if unexpended.

(6) For purposes of this subsection (a), the clerk shall be deemed to have issued the certificate of title if the clerk performed the examination of the application for a certificate of title and entered the required data into the state computer system for the purpose of printing or electronically producing the certificate of title.

SECTION 3. Tennessee Code Annotated, Section 55-3-123(a), is amended by deleting the language "with proof of the lien required by the reasonable rules and regulations of the commissioner directly to the department" and substituting instead the language "with proof of the lien required by the reasonable rules and regulations of the commissioner directly to the county clerk".

SECTION 4. Tennessee Code Annotated, Section 55-3-123(a), is amended by deleting the language "The department" wherever it appears and substituting instead the language "The county clerk".

SECTION 5. Tennessee Code Annotated, Section 55-3-123(b), is amended by deleting the language "the department" wherever it appears and substituting instead the language "the county clerk".

SECTION 6. Tennessee Code Annotated, Section 55-3-124, is amended by deleting the language "the department" wherever it appears and substituting instead the language "the county clerk".

SECTION 7. Tennessee Code Annotated, Section 55-3-126(c), is amended by deleting the language "either the department or the county clerk acting as agent for the department" and substituting instead the language "the county clerk".

SECTION 8. Tennessee Code Annotated, Section 55-6-101(a)(2), is amended by deleting the semi-colon at the end of the subdivision and substituting instead the following:

. Of the eleven-dollar fee, the county clerk shall retain three dollars (\$3.00) and remit the remaining balance of eight dollars (\$8.00) to the department. The funds retained by the county clerk shall be earmarked for office supplies and equipment required to perform duties in connection with services related to the notation of liens and encumbrances and the extension of mortgages on certificates of title. Such funds shall be preserved for these purposes and shall not revert to the county general fund at the end of a budget year if unexpended;

SECTION 9. Tennessee Code Annotated, Section 55-6-101(a)(3), is amended by deleting the semi-colon at the end of the subdivision and substituting instead the following:

. Of the eleven-dollar fee, the county clerk shall retain three dollars (\$3.00) and remit the remaining balance of eight dollars (\$8.00) to the department. The funds retained by the county clerk shall be earmarked for office supplies and equipment required to perform duties in connection with services related to the notation of liens and encumbrances and the extension of mortgages on certificates of title. Such funds shall be preserved for these purposes and shall not revert to the county general fund at the end of a budget year if unexpended;

SECTION 10. This act shall take effect July 1, 2019, the public welfare requiring it.